

Form 3160-3  
(August 1999)FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

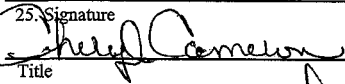
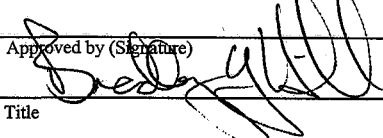
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-468</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>COASTAL OIL &amp; GAS CORPORATION</b> <b>CONTACT: CHERYL CAMERON OPERATIONS</b> <b>EMAIL: Cheryl.Cameron@CoastalCorp.com</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>P.O. BOX 1148</b> <b>VERNAL, UT 84078</b>	3b. Phone No. (include area code) <b>TEL: 435.781.7023 EXT:</b> <b>FAX: 435.789.4436</b>	8. Lease Name and Well No. <b>CIGE #249</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>NWNW 771FNL 783FWL</b> At proposed prod. zone <b>4425187 N</b> <b>630700E</b>		9. API Well No. <b>43-047-34023</b>
14. Distance in miles and direction from the nearest town or post office* <b>22.75 MILES SOUTHEAST OF OURAY, UTAH</b>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line if any)	16. No. of Acres in lease <b>453.62</b>	11. Sec., T., R., M., or Blk., and Survey or Area <b>Sec 8 T10S R22E UBM</b>
18. Distance from proposed location* to nearest well, drilling, completed, Applied for, on this lease, ft.	19. Proposed Depth <b>6900 MD</b>	12. County or Parish <b>UINTAH</b>
21. Elevations (Show whether DF, KDB, RT, GL etc.) <b>5273</b>	22. Approximate date work will start*	13. State <b>UT</b>
17. Spacing unit dedicated to this well		
20. BLM/BIA Bond No. on file <b>U-605382-9</b>		
23. Estimated duration		

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) <b>CHERYL CAMERON</b>	Date <b>4/6/01</b>
Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>04-18-01</b>
Title <b>RECLAMATION SPECIALIST III</b>		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

ELECTRONIC SUBMISSION #3499 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION  
SENT TO THE VERNAL FIELD OFFICE**RECEIVED****APR 11 2001****DIVISION OF  
OIL, GAS AND MINING**



OCT 10 1998

**COASTAL OIL & GAS CORP.**BIC.\_\_\_\_RAD\_\_\_\_SCP\_\_\_\_CEL\_\_\_\_  
TAB\_\_\_\_JRN\_\_\_\_MDE\_\_\_\_LPS\_\_\_\_**CIGE #249-8-10-22****SECTION 8, T10S, R22E, S.L.B.&M.**XC: *Aug*  
*DHSD*  
*PEB*

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 4.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 5.6 MILES TO THE JUNCTION OF THIS ROAD AND THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY THEN NORTHERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.75 MILES.

**CIGE #249  
NW/NW Sec. 8-T10S, R22E  
UINTAH COUNTY, UTAH  
LEASE #U-468**

**ONSHORE ORDER NO. 1  
COASTAL OIL & GAS CORPORATION**

***DRILLING PROGRAM***

**1. Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
KB	5270'
Green River	1350'
Wasatch	4480'
TD	6400'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1350'
Gas	Wasatch	4480'
Water	N/A	
Other Minerals	N/A	

**3. Pressure Control Equipment (Schematic Attached)**

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

**4. Proposed Casing & Cementing Program:**

*Please see the attached Drilling Program.*

**5. Drilling Fluids Program:**

*Please see the attached Mud Program.*

**6. Evaluation Program:**

*Please see the attached Geological Data.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6,400' TD, approximately equals 2,560 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,152 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**CIGE #249  
NW/NW Sec. 8-T10S-R22E  
UINTAH COUNTY, UTAH  
LEASE #U-468**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

An onsite inspection was conducted for the CIGE #249 on 2/16/01, for the subject well.

**1. Existing Roads:**

The proposed well site is approximately 22.75 miles southeast of Ouray, Utah. Directions to the location from Ouray, Utah:

Proceed in a westerly direction from Vernal, Utah, along U.S. Highway 40 approximately 14.0 miles to the junction of state highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah; proceed in a southerly direction approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly, direction approximately 4.8 miles to the junction of this road and an existing road to the south; turn right and proceed in a southerly, then southeasterly direction approximately 5.6 miles to the junction of this road and the beginning of the proposed access road to the southwest; follow road flags in a southwesterly, then northerly direction approximately 0.15 miles to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

**2. Planned Access Roads:**

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

Refer to Topo Map B for the location of the proposed access road.

**3. Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities:**

*Please see the Natural Buttes Unit SOP.*

Refer to Topo Map D for the location of the proposed pipeline.

**5. Location and Type of Water Supply:**

*Please see the Natural Buttes SOP.*

**6. Source of Construction Materials:**

*Please see the Natural Buttes SOP.*

**7. Methods of Handling Waste Materials:**

*Please see the Natural Buttes SOP.*

*Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec.5,T9S,R22E, NBU #159, Sec.35,T9S,R21E, Ace Oilfield Sec.2, T6S,R20E, MC&MC Sec 12, T6S,R19E (Requests is lieu of filing Form 3160-5, after initial production).*

**8. Ancillary Facilities:**

*Please see the Natural Buttes SOP.*

**9. Well Site Layout: (See Location Layout Diagram)**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

If plastic reinforced liner is used, it will be a minimum 12 mil thick, with sufficient bedding used to cover any rocks (Felt & Straw). The liner will overlap the pit walls and be covered with dirt and/or rock to hold it in place. No trash or scrap that could puncture the liner will be do disposed of in the pit.

**10. Plans for Reclamation of the Surface:**

*Please see the Natural Buttes SOP.*

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if seeds are drilled (24 lbs/acre if seeds are broadcast). The per acre requirements for drilled seeds are:

Needle & Thread	6 lbs.
Shade Scale	6 lbs.

**11. Surface Ownership:**

The well pad and access road are located on lands owned by:

United State of America  
Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078  
(435)781-4400

**12. Other Information:**

A Class III archaeological survey was conducted by Metcalf Archaeological Consultants is attached.

This location is not within 460 feet from the boundary of the Natural Buttes Unit, nor is it within 460 feet of any non-committed tract lying within the boundaries of the Unit.

**13. Lessee's or Operators's Representative & Certification:**

Cheryl Cameron  
Sr. Regulatory Analyst  
Coastal Oil & Gas Corporation  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Darrell Molnar  
Drilling Manager  
Coastal Oil & Gas Corporation  
9 Greenway Plaza, Suite 2775  
Houston, TX 77046-0995  
(713) 418-4295

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103, BLM Nationwide Bond #U-605382-9, and BIA Nationwide Bond #114066-A.

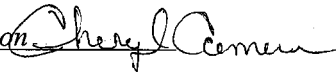
The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.



I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

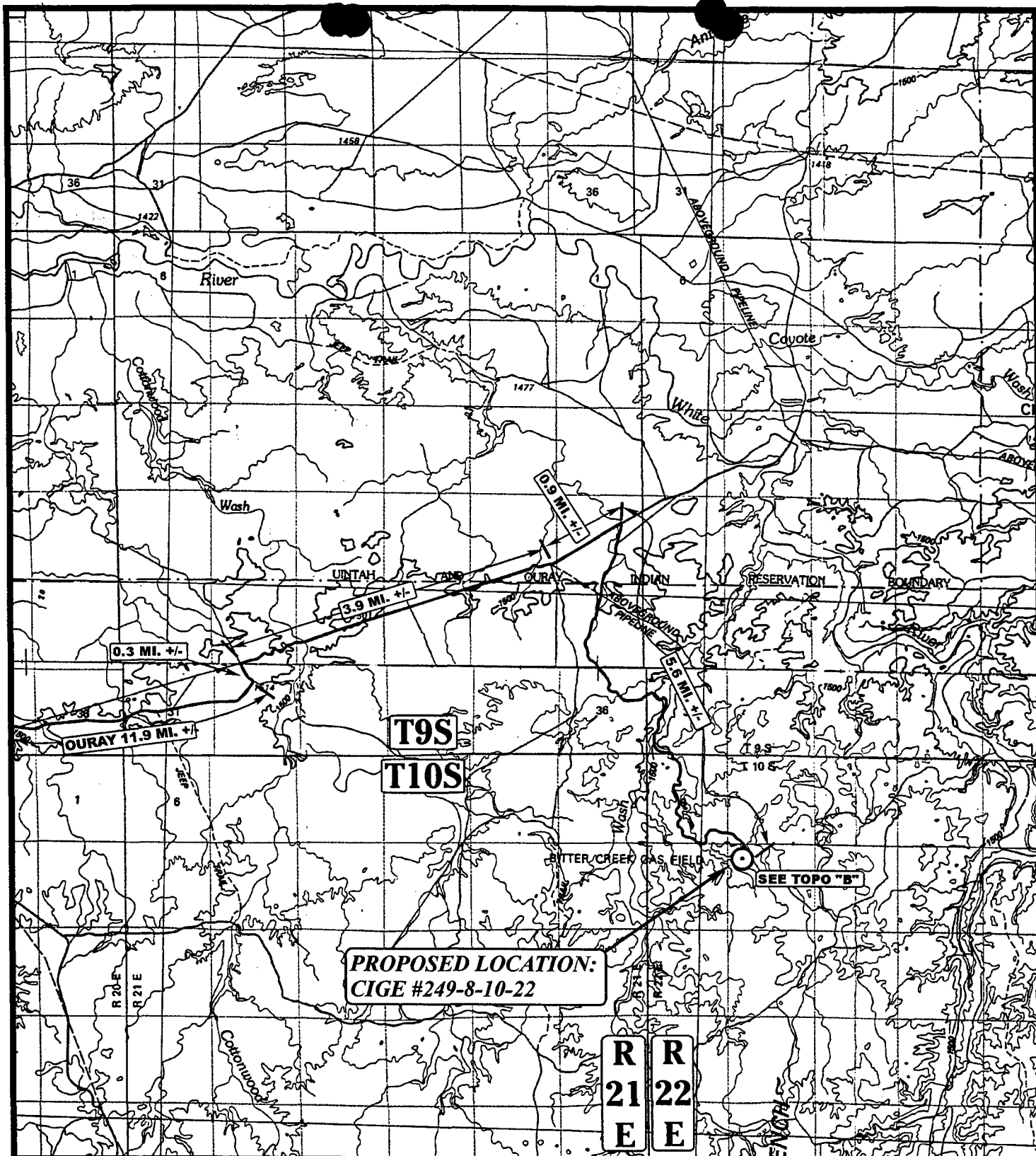
/s/ Cheryl Cameron

Cheryl Cameron



4/5/01

Date



# LEGEND:

○ PROPOSED LOCATION

## COASTAL OIL & GAS CORP.

CIGE #249-8-10-22

SECTION 8, T10S, R22E, S.L.B.&M.

771' FNL 783' FWL



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



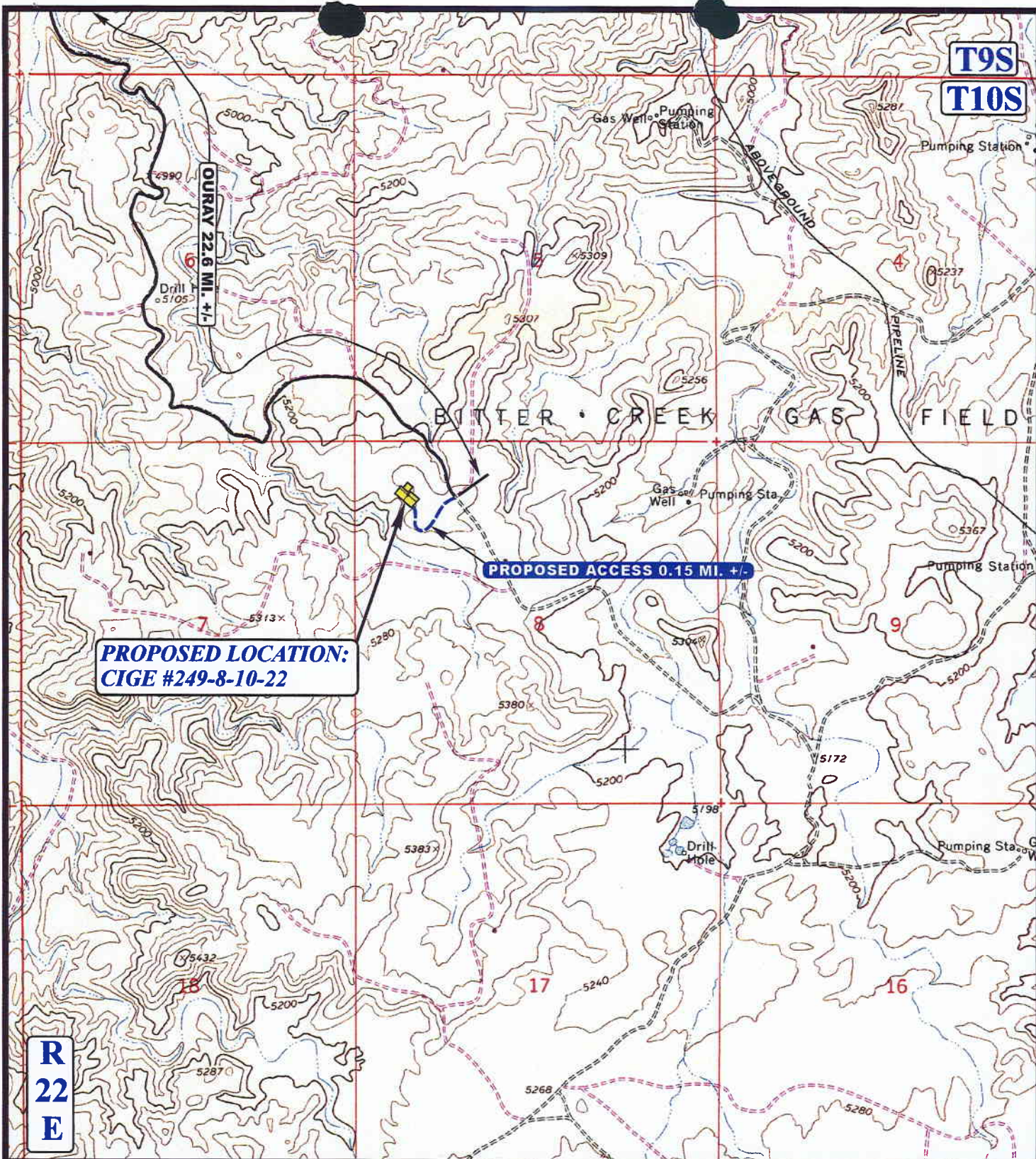
**TOPOGRAPHIC**  
**MAP**

**10** **1** **98**  
 MONTH DAY YEAR

SCALE: 1 : 100,000 | DRAWN BY: D.COX | REVISED: 00-00-00







# LEGEND:

----- PROPOSED ACCESS ROAD  
 \_\_\_\_\_ EXISTING ROAD

## COASTAL OIL & GAS CORP.

CIGE #249-8-10-22  
 SECTION 8, T10S, R22E, S.L.B.&M.  
 771' FNL 783' FWL



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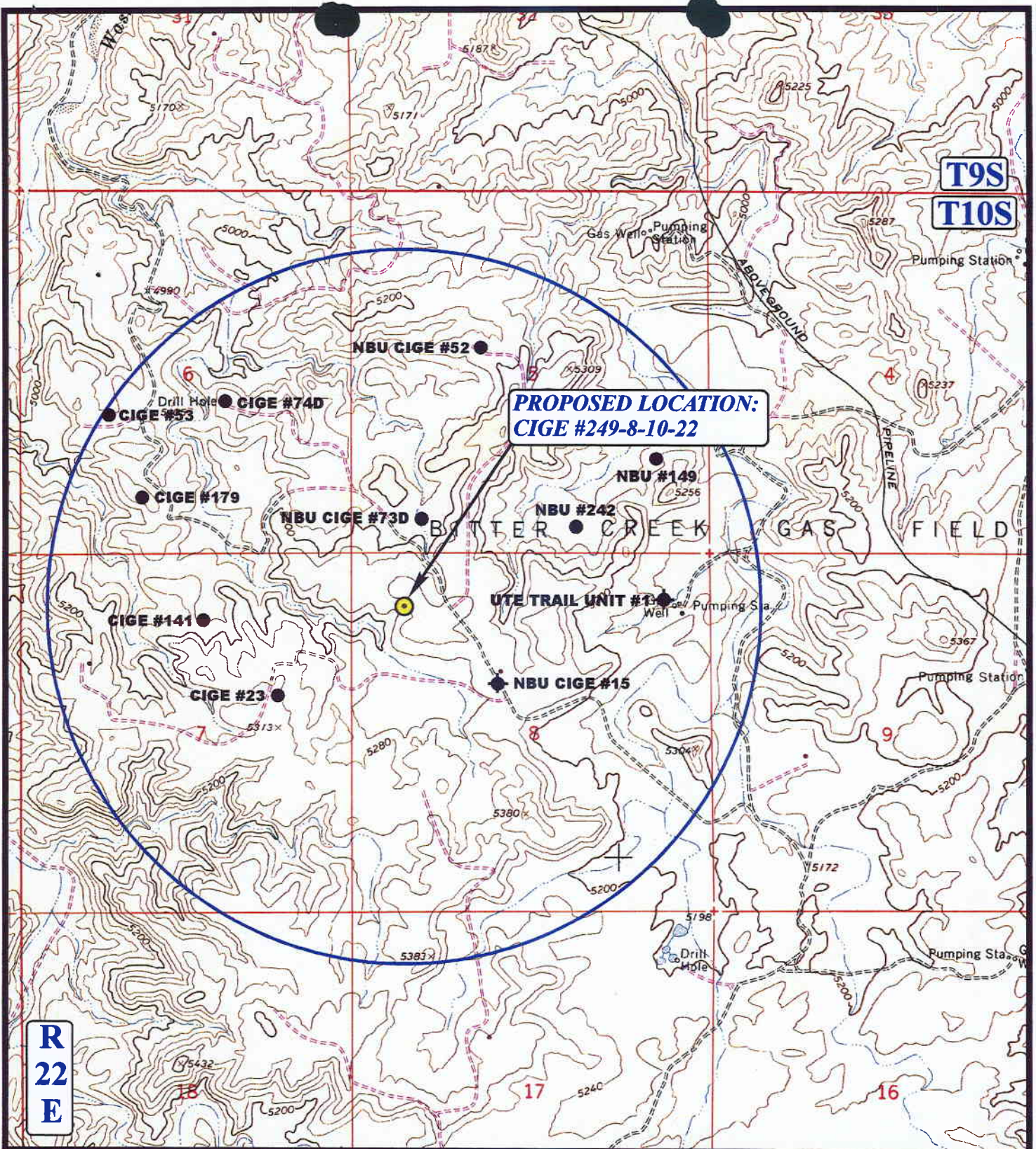
TOPOGRAPHIC  
 MAP

10 1 98  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

B  
 TOPO





**R**  
**22**  
**E**

# **LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



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## **COASTAL OIL & GAS CORP.**

**CIGE #249-8-10-22**  
**SECTION 8, T10S, R22E, S.L.B.&M.**  
**771' FNL 783' FWL**

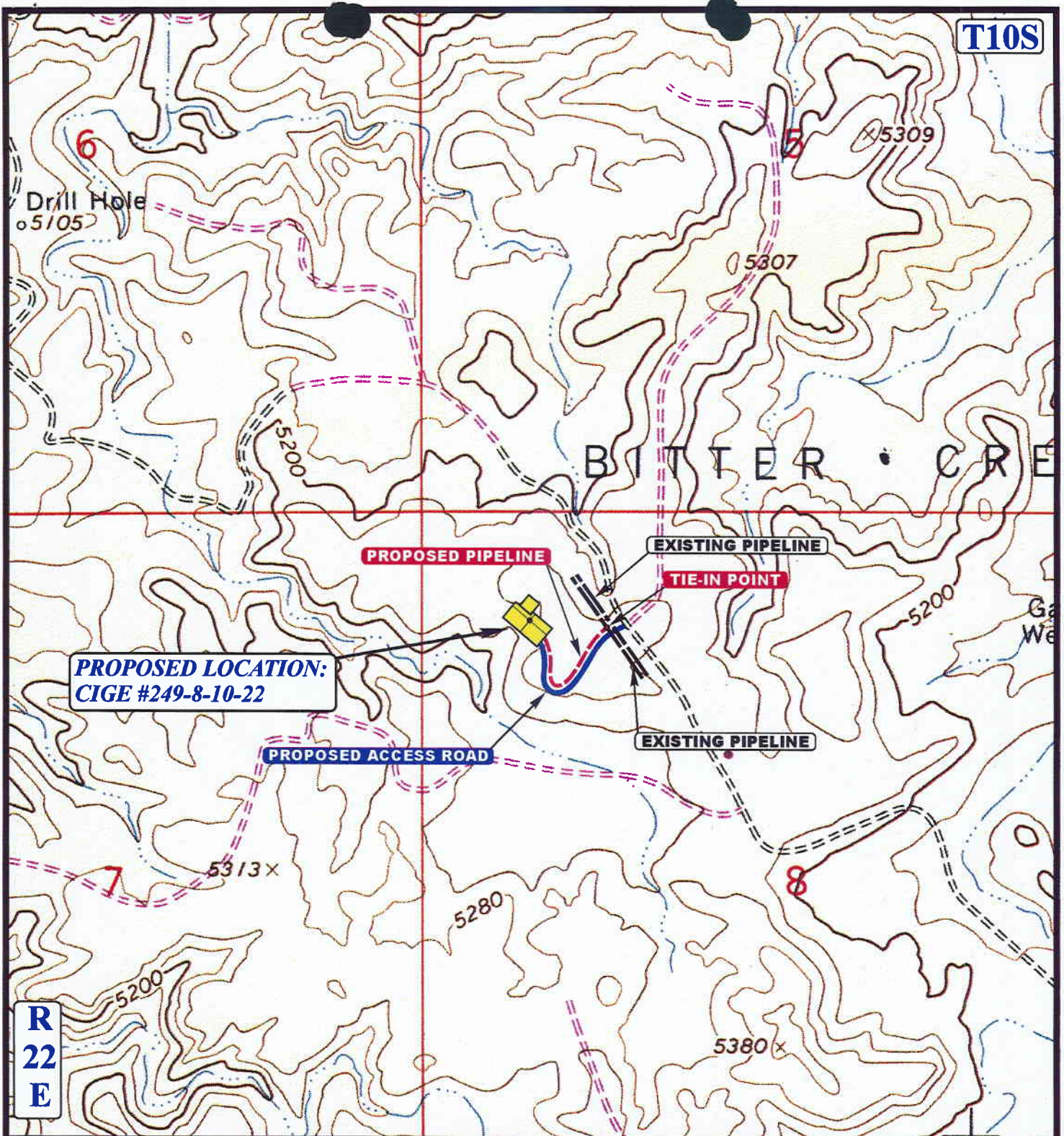
**TOPOGRAPHIC**  
**MAP**

**10** **1** **98**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00







**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,000' +/-**

**LEGEND:**

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



**COASTAL OIL & GAS CORP.**

**CIGE #249-8-10-22**

**SECTION 8, T10S, R22E, S.L.B.&M.**

**771' FNL 783' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**10 1 98**  
MONTH DAY YEAR

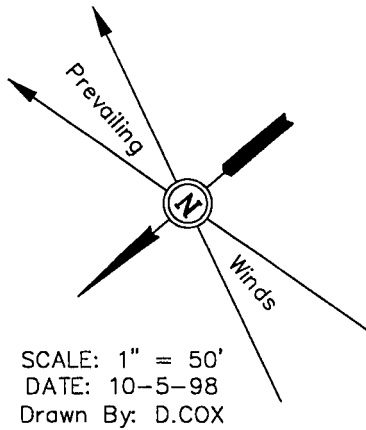
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**D**  
TOPO

# COASTAL OIL & GAS CORP.

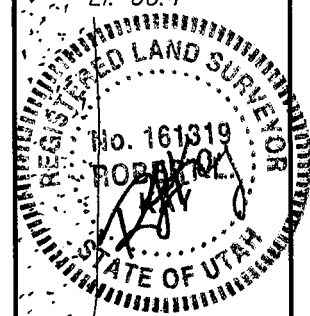
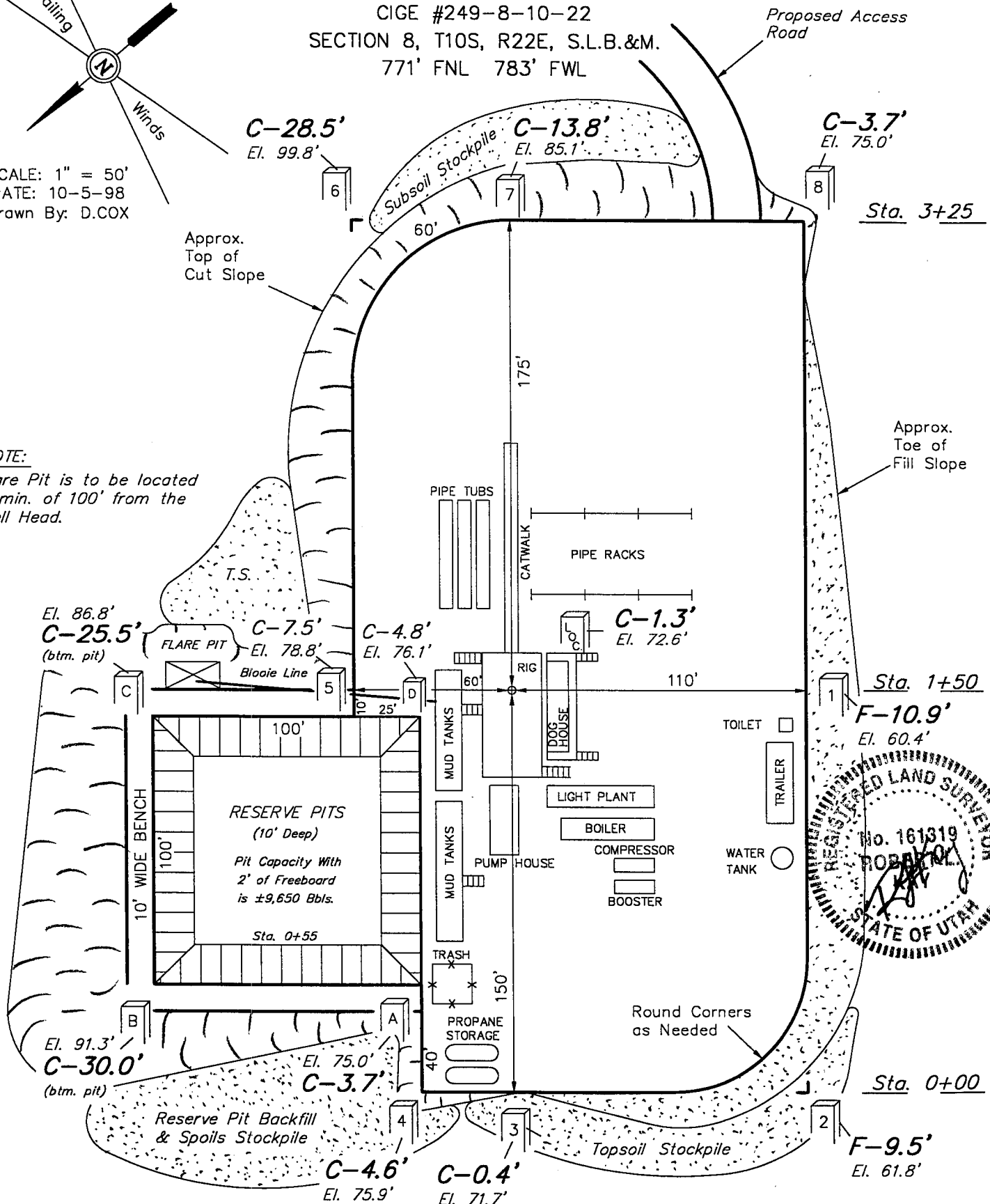
## LOCATION LAYOUT FOR

CIGE #249-8-10-22  
SECTION 8, T10S, R22E, S.L.B.&M.  
771' FNL 783' FWL



### NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



Elev. Ungraded Ground at Location Stake = 5272.6'  
Elev. Graded Ground at Location Stake = 5271.3'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (801) 789-1017

# COASTAL OIL & GAS CORP.

## TYPICAL CROSS SECTIONS FOR

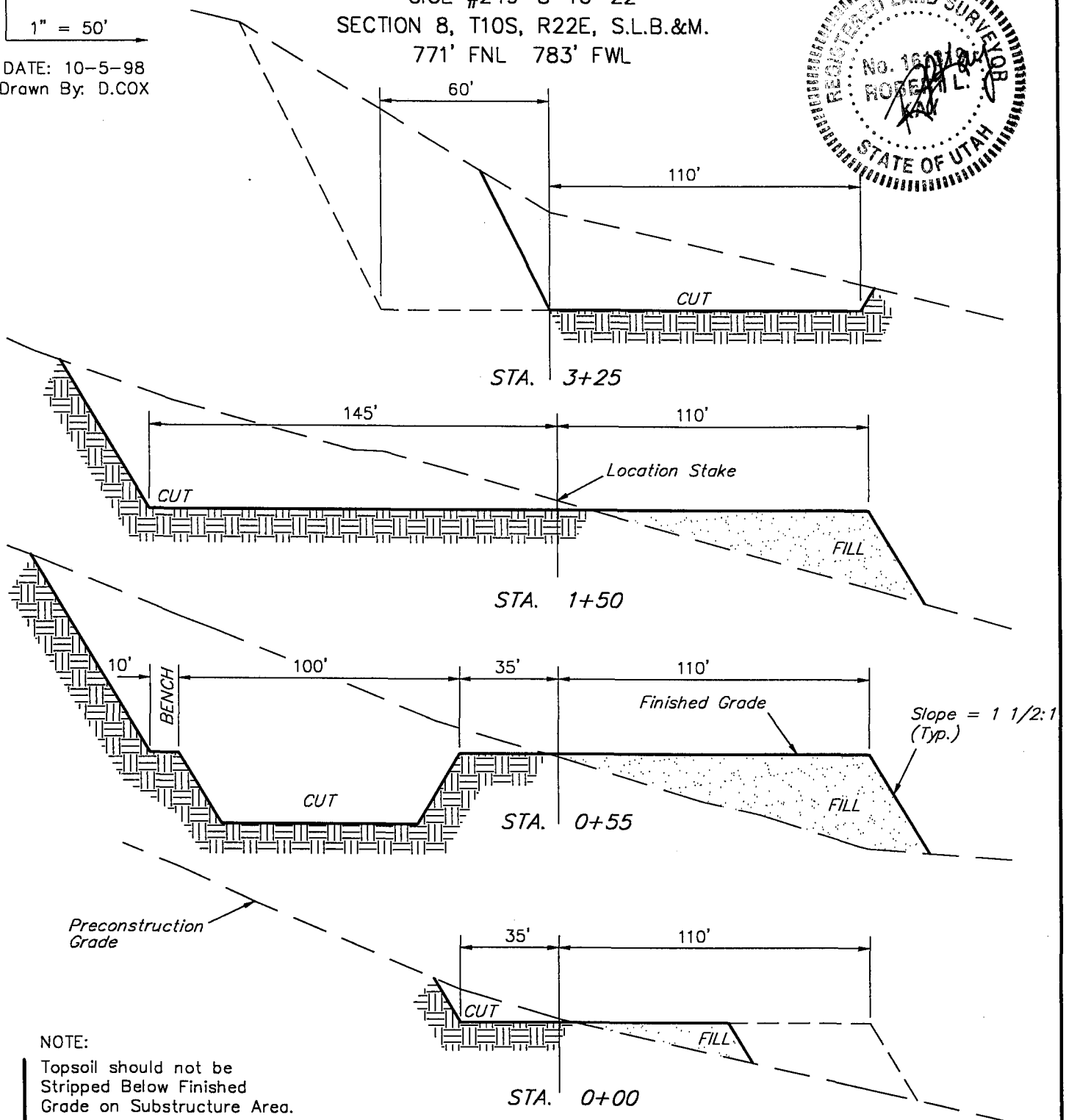
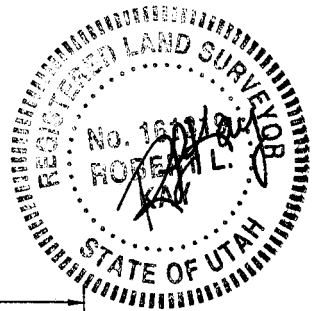
CIGE #249-8-10-22

SECTION 8, T10S, R22E, S.L.B.&M.

771' FNL 783' FWL

1" = 20'  
X-Section Scale  
1" = 50'

DATE: 10-5-98  
Drawn By: D.COX



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

### APPROXIMATE YARDAGES

#### CUT

(6") Topsoil Stripping = 1,140 Cu. Yds.

Remaining Location = 17,320 Cu. Yds.

TOTAL CUT = 18,460 CU.YDS.

FILL = 6,640 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION

= 11,470 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.)

= 2,480 Cu. Yds.

EXCESS UNBALANCE (After Rehabilitation)

= 8,990 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East \* Vernal, Utah 84078 \* (801) 789-1017

COMPANY NAME	Coastal Oil & Gas Corporation	DATE	February 28, 2001
WELL NAME	<b>CIGE #249</b>	TD	6,900' MD/TVD
FIELD	NBU	COUNTY	Uintah
		STATE	Utah
ELEVATION	5,270'	KB	
SURFACE LOCATION	771' FNL, 783' FWL, Sec. 8, T10S, R22E	BHL	Straight Hole
OBJECTIVE ZONE(S)	Wasatch		
ADDITIONAL INFO			

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION	DEPTH	HOLE	CASING	MUD
	TOPS		SIZE	SIZE	WEIGHT
	( if required)	40'		14"	
			12-1/4"	8-5/8", 24#, K-55	Air
		250' MD/TVD			
	Green River @	1,350'			
Mud Log @ 2500' - TD					Air Mist
Platform Express			7-7/8"	4-1/2", 11.6#, K-55, LTC	Aerated Water
SC - TD					
	Wasatch @	4,480'			
		6,900' MD/TVD			



## COASTAL OIL & GAS CORPORATION

### DRILLING PROGRAM

#### CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	8-5/8"	0-250'	24.00	K-55	STC	2950	1370	263000
						21.03	11.71	4.70
PRODUCTION*	4-1/2"	0-TD	11.60	K-55	LTC	5350	4960	180000
						2.20	1.38	1.38

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
- 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
- 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50,000 lbs overpull)

#### CEMENT PROGRAM

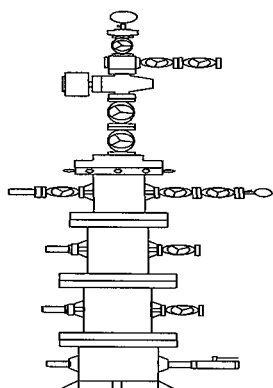
		FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE		250	Class G + 2% CaCl <sub>2</sub> + 0.25 lb/sk Cello Flake	90	35%	15.80	1.17
PRODUCTION	LEAD	3,980'	Hifill Mod. +16% gel + 3% salt + 10#/sk gilsonite + 1% HR7 + 0.6% Econolite + 0.2% FWCA + 0.25 lb/sk Flocele	430	50%	11.60	3.12
	TAIL	2,920'	50/50 POZ + 2% gel + 2% Microbond + 5% salt + 0.2% Super CBL + 0.6% HALAD 322 + 0.25 #/sk Flocele	810	50%	14.35	1.25

\* or 15% over caliper log

#### FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, float collar. Centralize first 3 joints & every other joint to surface with bow spring centralizers. Thread lock FE up to & including pin end of FC.
PRODUCTION	Guide shoe, 1 jt, float collar. Centralize first 3 joints & every other joint to top of tail cement with bow spring centralizers.

#### WELLHEAD EQUIPMENT



TREE	2-1/16" 5M
TUBING HEAD	11" 3M X 7-1/16" 5M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	8-5/8" SOW X 11" 3M

# COASTAL OIL & GAS CORPORATION

## DRILLING PROGRAM

**BIT PROGRAM**

ROCK BIT & PDC BIT PROGRAM						
INTERVAL	HOLE	BIT MFG & MODEL	GPM	SERIAL	NZLS	COMMENTS
Surface Hole	12-1/4"	Various				
Surf Csg - TD	7-7/8"	SEC XS44	Air/Mist	New	16-16-16	
			Aerated			

If the air is discontinued, use a SEC 2665rv or a HTC DP363 on a mud motor to TD

If a second bit is required and the air is needed use another XS44.

**GEOLOGICAL DATA****LOGGING:**

Depth	Log Type
SC - TD	Platform Express

**MUD LOGGER:**

SC - TD

**SAMPLES:**

As per Geology

**CORING:**

NA

**DST:**

NA

**MUD PROGRAM**

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-Trona (0 - +/-2,000')	Air/Mist	NA	NA		Polymer, Gel Gyp, Lime
Trona-TD (+/- 2,000' - TD)	Aerated Water	NA	NC	NA	Polymer, Gyp, Lime

After reaching TD, circulate hole until clean, then make a wiper trip. Report any bridges or fill encountered on trip.

After a successful wiper trip, chain out of the hole to log.

**REPORT ALL LOSSES, INCLUDING SEEPAGE**

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

Treat for corrosion as per plan.

**DRILLING ENGINEER:**

Christa Yin

**DATE:****DRILLING MANAGER:**

Darrell Molnar

**DATE:****DRILLING DIRECTOR:**

Steve Hayes

**DATE:**

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/11/2001

API NO. ASSIGNED: 43-047-34023

WELL NAME: CIGE 249

OPERATOR: COASTAL OIL & GAS CORP ( N0230 )

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NWNW 08 100S 220E

SURFACE: 0771 FNL 0783 FWL

BOTTOM: 0771 FNL 0783 FWL

UINTAH

NATURAL BUTTES ( 630 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-468

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

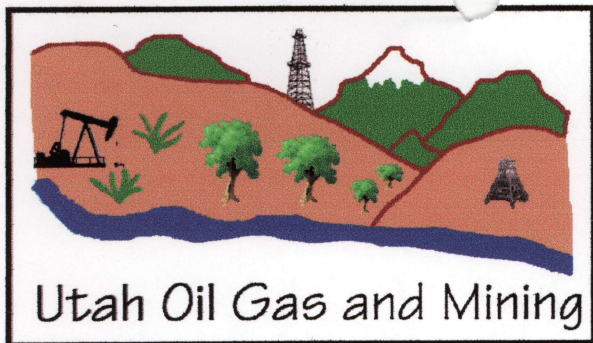
☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. U605382-9 )  
☒ Potash (Y/N)  
☒ Oil Shale (Y/N) \*190-5 (B) or 190-3  
☒ Water Permit  
(No. 43-8496 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3. Unit NATURAL BUTTES  
\_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_ R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr. Unit Boundary & Uncomm. Lands  
\_\_\_ R649-3-11. Directional Drill

COMMENTS: NBK Sol, separate file.

STIPULATIONS: ① FEDERAL APPROVAL  
② OIL SHALE

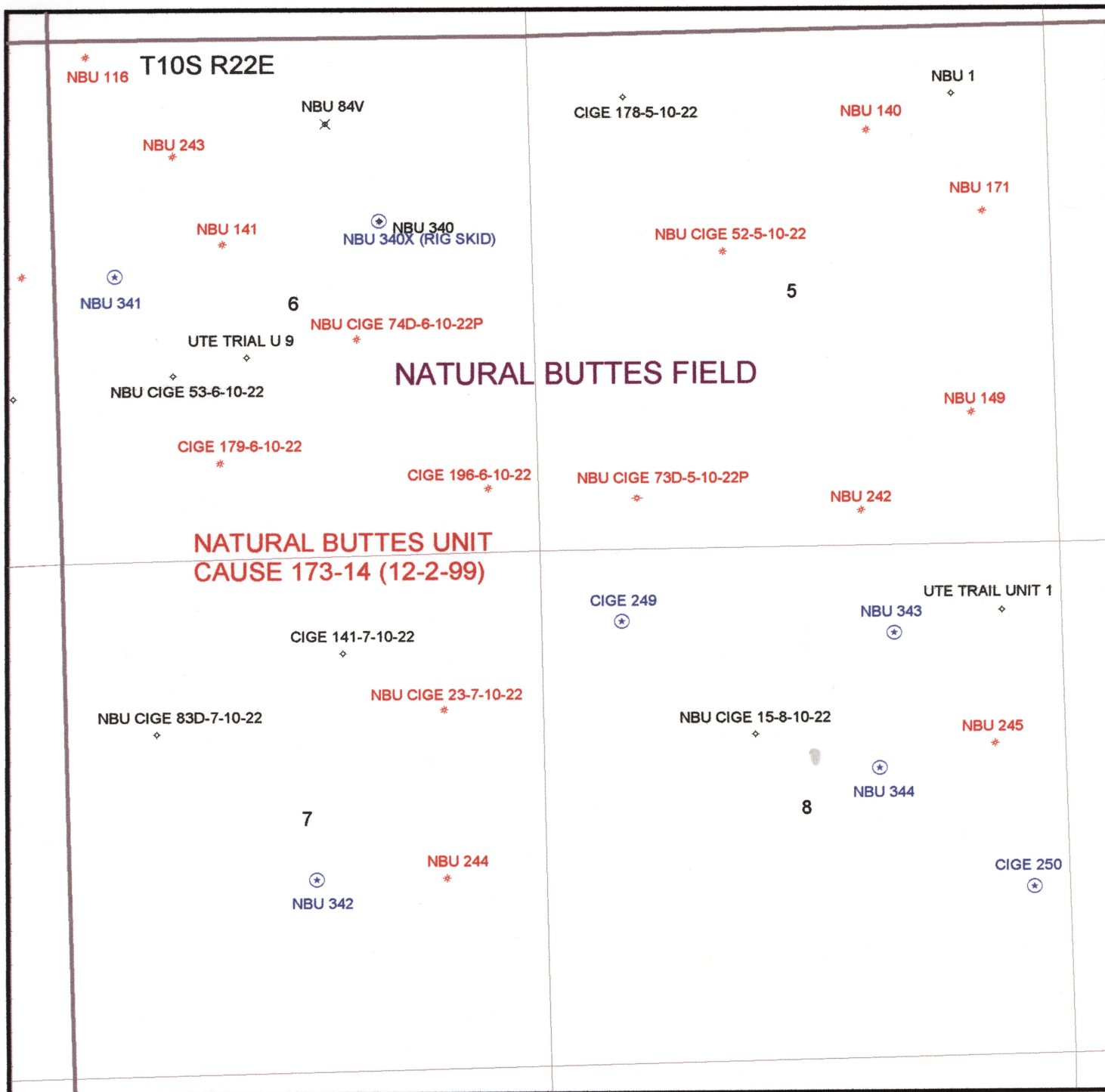


OPERATOR: COASTAL O&G CORP (N0230)

SEC. 8, T10S, R22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH UNIT: NATURAL BUTTES  
CAUSE: 173-14





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

April 18, 2001

Coastal Oil & Gas Corporation  
PO Box 1148  
Vernal, UT 84078

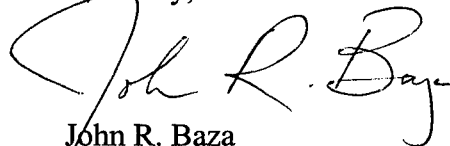
Re: CIGE 249 Well, 771' FNL, 783' FWL, NW NW, Sec. 8, T. 10 South, R. 22 East,  
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34023.

Sincerely,

  
John R. Baza  
Associate Director

er

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** Coastal Oil & Gas Corporation  
**Well Name & Number** CIGE 249  
**API Number:** 43-047-34023  
**Lease:** U 468

**Location:** NW NW      **Sec.** 8      **T.** 10 South      **R.** 22 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR:

El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:

3 South 1200 East CITY Vernal

STATE Utah ZIP 84078

PHONE NUMBER:

435-789-4433

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

COUNTY:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Name Change

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

Coastal Oil & Gas Corporation

NAME (PLEASE PRINT)

John T. Elzner

TITLE

Vice President

SIGNATURE

DATE

06-15-01

El Paso Production Oil & Gas Company

NAME (PLEASE PRINT)

John T. Elzner

TITLE

Vice President

SIGNATURE

DATE

06-15-01

(This space for State use only)

RECEIVED

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING

*State of Delaware*  
*Office of the Secretary of State*

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PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "COASTAL OIL & GAS CORPORATION", CHANGING ITS NAME FROM "COASTAL OIL & GAS CORPORATION" TO "EL PASO PRODUCTION OIL & GAS COMPANY", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2001, AT 11 O'CLOCK A.M.

RECEIVED

MAR 12 2001

DIVISION OF  
OIL, GAS AND MINING



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

0610204 8100

010162788

AUTHENTICATION: 1061007

DATE: 04-03-01



## CERTIFICATE OF AMENDMENT

OF

## CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST." so that, as amended, said Article shall be and read as follows:

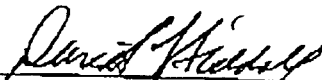
"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL &amp; GAS CORPORATION



David L. Siddall  
Vice President

Attest:

  
Margaret E. Roark, Assistant Secretary

RECEIVED

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 11:00 AM 03/09/2001  
010118394 - 0610204

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

**RECEIVED**

JUL 12 2001

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
3106  
UTSL-065841  
(UT-924)

JUL 10 2001

### NOTICE

El Paso Production Oil & Gas Company : Oil and Gas  
Nine Greenway Plaza :  
Houston TX 77046-0095 :

#### Name Change Recognized

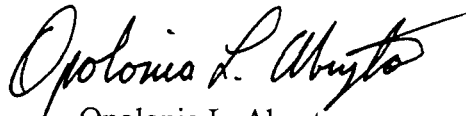
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
~~State of Utah~~, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

### Exhibit of Leases

UTUSL-065841A	UTU-47172	UTU-74415	UTU-53860
UTU-28652	UTU-50687	UTU-74416	UTU-66401
UTU-37943	UTU-52298	UTU-75091	UTU-67868
UTU-44089	UTU-0109054	UTU-75096	UTU-65389
UTU-44090A	UTU-0143511	UTU-75097	UTU-77084
UTU-61263	UTU-0143512	UTU-75673	UTU-61430
UTU-00343	UTU-38401	UTU-76259	UTU-72633
UTU-02651	UTU-38411	UTU-76260	UTU-72650
UTU-02651B	UTU-38418	UTU-76261	UTU-49692
UTU-0142175	UTU-38419	UTU-76493	UTU-57894
UTU-70235	UTU-38420	UTU-76495	UTU-76829
UTU-70406	UTU-38421	UTU-76503	UTU-76830
UTU-74954	UTU-38423	UTU-78228	UTU-76831
UTU-75132	UTU-38424	UTU-78714	
UTU-75699	UTU-38425	UTU-78727	
UTU-76242	UTU-38426	UTU-78734	
UTU-78032	UTU-38427	UTU-79012	
UTU-4377	UTU-38428	UTU-79011	
UTU-4378	UTU-53861	UTU-71694	
UTU-7386	UTU-58097	UTU-00576	
UTU-8344A	UTU-64376	UTU-00647	
UTU-8345	UTU-65222	UTU-01470D	
UTU-8347	UTU-65223	UTU-0136484	
UTU-8621	UTU-66746	UTU-8344	
UTU-14646	UTU-67178	UTU-8346	
UTU-15855	UTU-67549	UTU-8648	
UTU-25880	UTU-72028	UTU-28212	
UTU-28213	UTU-72632	UTU-30289	
UTU-29535	UTU-73009	UTU-31260	
UTU-29797	UTU-73010	UTU-33433	
UTU-31736	UTU-73013	UTU-34711	
UTU-34350	UTU-73175	UTU-46699	
UTU-34705	UTU-73434	UTU-78852	
UTU-37116	UTU-73435	UTU-78853	
UTU-37355	UTU-73444	UTU-78854	
UTU-37573	UTU-73450	UTU-075939	
UTU-38261	UTU-73900	UTU-0149767	
UTU-39223	UTU-74409	UTU-2078	
UTU-40729	UTU-74410	UTU-44426	
UTU-40736	UTU-74413	UTU-49530	
UTU-42469	UTU-74414	UTU-51026	

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH		4-KAS
2. CDW ✓		5-LP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

**X** MergerThe operator of the well(s) listed below has changed, effective: **3-09-2001**

<b>FROM: (Old Operator):</b>
COASTAL OIL & GAS CORPORATION
Address: 9 GREENWAY PLAZA STE 2721
HOUSTON, TX 77046-0995
Phone: 1-(713)-418-4635
Account N0230

<b>TO: (New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY
Address: 9 GREENWAY PLAZA STE 2721 RM 2975B
HOUSTON, TX 77046-0995
Phone: 1-(832)-676-4721
Account N1845

CA No.

Unit: NATURAL BUTTES

## WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 481-3E	43-047-33063	2900	03-09S-21E	FEDERAL	GW	P
NBU 369	43-047-33973	99999	04-09S-21E	FEDERAL	GW	APD
CIGE 255	43-047-33970	99999	07-09S-21E	FEDERAL	GW	APD
NATURAL BUTTES SWD 1-16	43-047-33609	99999	16-09S-21E	FEDERAL	OW	APD
NBU 484-20E	43-047-33784	2900	20-09S-21E	FEDERAL	GW	P
NBU 392-6E	43-047-33783	2900	06-10S-21E	FEDERAL	GW	P
NBU 388	43-047-34240	99999	22-10S-21E	FEDERAL	GW	NEW
NBU 387	43-047-34239	99999	23-10S-21E	FEDERAL	GW	NEW
NBU 323	43-047-34050	99999	30-09S-22E	FEDERAL	OW	APD
NATURAL BUTTES 3-1 SWD	43-047-33610	99999	01-10S-22E	FEDERAL	OW	APD
CIGE 249	43-047-34023	99999	08-10S-22E	FEDERAL	GW	APD
NBU 248	43-047-34079	99999	10-10S-22E	FEDERAL	GW	APD
NBU 386	43-047-34238	99999	17-10S-22E	FEDERAL	GW	NEW
NBU 383	43-047-34236	99999	21-10S-22E	FEDERAL	GW	NEW

## OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
- Is the new operator registered in the State of Utah: YES Business Number: 608186-0143

5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 08/23/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 08/23/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

---

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

---

**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: WY 2793

---

**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_

---

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: \_\_\_\_\_

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: \_\_\_\_\_

---

**COMMENTS:** Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".

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RECEIVED

APR - 9 2001

FORM 3160-3  
(July 1992)SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires February 28, 1995UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL



DEEPEN



b. TYPE OF WELL

OIL  
WELLGAS  
WELL

OTHER

SINGLE  
ZONEMULTIPLE  
ZONE2. NAME OF OPERATOR **COASTAL OIL & GAS CORPORATION**  
**P.O. BOX 1148**  
**VERNAL , UT 84078**

3. ADDRESS AND TELEPHONE NO.

**CHERYL CAMERON**  
**OPERATIONS**PHONE: **435.781.7023**

EXT:

FAX: **435.789.4436**EMAIL: **Cheryl.Cameron@CoastalCorp.com**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At Surface  
**771FNL AND 783FWL NWNW SEC 8 T10S R22E**  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM THE NEAREST TOWN OR POST OFFICE

**22.75 MILES SOUTHEAST OF OURAY, UTAH**15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drilg unit line, if any)16. NO. ACRES IN LEASE  
**453.62**17. NO. OF ACRES ASSIGNED  
TO THIS WELL18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE FT.19. PROPOSED DEPTH  
**6900 MD / TVD**20. ROTARY OR CABLE TOOLS  
**ROTARY**

21. ELEVATIONS ( Show whether DF, RT, GR, etc.)

**5272 GL**

22. APPROX. DATE WORK WILL START\*

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

NO REMARK PROVIDED

5. LEASE DESIGNATION AND SERIAL NO.

**U-46b**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

**Natural Buttes**8. FARM OR LEASE NAME, WELL NO.  
**CIGE 249**

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

**NATURAL BUTTES**11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA  
**SECTION 8 T10S R22E**  
**MERIDIAN UBM**12. COUNTY OR PARISH  
**UINTAH**13. STATE  
**UT**

RECEIVED

AUG 31 2001

DIVISION OF  
OIL, GAS AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. **ELECTRONIC SUBMISSION #3499 VERIFIED BY THE BLM WELL INFORMATION SYSTEM**  
**FOR COASTAL OIL & GAS CORPORATION SENT TO THE VERNAL FIELD OFFICE**SIGNED **CHERYL CAMERON**TITLE **OPERATIONS**DATE **04/06/2001**

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED

TITLE

DATE

**Assistant Field Manager**  
**Mineral Resources**

\*See Instructions On Reverse Side

**08/21/2001****01503034****NAS 2/1/01**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil and Gas Corp.

Well Name & Number: CIGE 249

API Number: 43-047-34023

Lease Number: U-0466

Location: NWNW Sec. 8 T.10S R.22E

Agreement: Natural Buttes Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.



## CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

### A. DRILLING PROGRAM

#### 1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to John Mayers or Pete Sokolosky of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable.

#### 2. Pressure Control Equipment

The variances requested in section 9 of the NBU Field SOP are granted with the following conditions:

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

#### 3. Casing Program and Auxiliary Equipment

The proposed volume of cement for the surface casing is not sufficient to ensure returns back to surface. The surface casing must be cemented back to surface. The base of the moderately saline water has been identified as  $\pm 4720'$ . The cement behind the production casing must be sufficient to protect this resources.

#### 4. Mud Program and Circulating Medium

None

#### 5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD to the surface casing shoe.

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

6. Notifications of Operations

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

Jerry Kenczka (435) 646-1676  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

**SURFACE USE PROGRAM**  
**Conditions of Approval (COAs)**

-The reserve will be lined. The process for lining pits described in the APD will be used.

-The reserve pit topsoil shall be piled separate from the location topsoil as shown on the cut sheet.

-The location topsoil pile will be seeded immediately after the soil is piled by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed. The seed mix outlined in the APD for reclamation of the well will be used.

All poundages are in Pure Live Seed.

-The subsoil which is piled on the location is for the construction of tank dikes. **Topsoil will not be used for the construction of tank dikes.**

-Once the reserve pit is dry, it shall be filled, recontoured, topsoil spread, and seeded in the same manner discussed above.

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5609

February 1, 2002

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

RE: BLM Bond CO-1203  
BLM Nationwide Bond 158626364  
Surety - Continental Casualty Company  
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.  
Assumption Rider - Westport Oil and Gas Company, L.P.

Dear Ms. Maxwell:

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

Encl:



# United States Department of the Interior **RECEIVED**

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al

(UT-924)

FEB 21 2002

### NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

#### Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

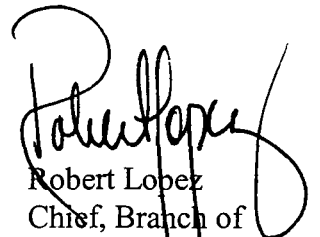
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

El Paso Production Oil &amp; Gas Company

3a. Address

P.O. Box 1148 Vernal, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWNW Section 8-T10S-R22E 771'FNL &amp; 783'FWL

5. Lease Serial No.

U-466

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

CIGE #249

9. API Well No.

43-047-34023

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other DOGM

APD Extension

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

The operator requests that the APD for the subject well be extended for an additional year so that drilling operations may be completed.

RECEIVED

MAR 18 2002

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheila Upchego

Signature

Title

Regulatory Analyst

Date

March 14, 2002

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date:

03-26-02

By:

[Signature]

COPY SENT TO OPERATOR

Date:

03-28-02

Initials:

CHD

UNITED STATES GOVERNMENT

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

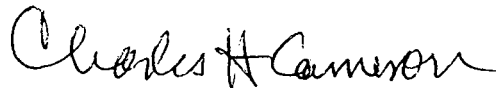
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chrono







# United States Department of the Interior

**BUREAU OF INDIAN AFFAIRS**

Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:  
Real Estate Services

Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

**ACTING**

Director, Office of Trust Responsibilities

Enclosure

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

*El Paso Production Oil & Gas Company*

3a. Address

*P.O. Box 1148 Vernal, UT 84078*

3b. Phone No. (include area code)

*(435) 781-7024*

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

*NWNW Section 8-T10S-R22E 771'FNL & 783'FWL*

5. Lease Serial No.

*U-4678*

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

*Natural Buttes Unit*

8. Well Name and No.

*CIGE #249*

9. API Well No.

*43-047-34023*

10. Field and Pool, or Exploratory Area

*Natural Buttes*

11. County or Parish, State

*Uintah County, Utah*

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DOGM
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<i>APD Extension</i>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

The operator requests that the APD for the subject well be extended for an additional year so that drilling operations may be completed.

**COPY SENT TO OPERATOR**  
Date: *03-03-03*  
Initials: *CHD*

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: *03-03-03*  
By: *[Signature]*

**RECEIVED**  
**FEB 24 2003**  
**DIV. OF OIL, GAS & MINING**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

*Sheila Upchego*

Signature

*[Signature]*

Title

*Regulatory Analyst*

Date

*February 18, 2003*

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 9 Greenway Plaza City Houston STATE TX ZIP 77064-0995		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (832) 676-5933		8. WELL NAME and NUMBER: Exhibit "A"
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY:		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

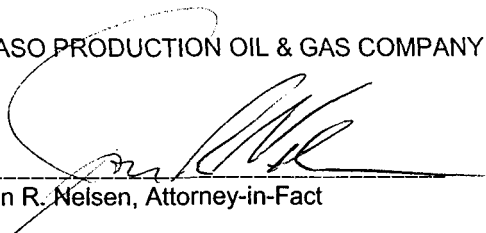
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

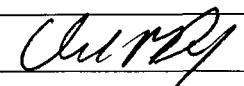
EL PASO PRODUCTION OIL & GAS COMPANY

By:   
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.	
NAME (PLEASE PRINT) David R. Dix	TITLE Agent and Attorney-in-Fact
SIGNATURE 	DATE 12/17/02

(This space for State use only)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL &amp; GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ OtherSUCCESSOR OF  
OPERATOR

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

DIV. OF OIL, GAS &amp; MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Date

March 4, 2003

Signature



## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would enable the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH

2. CDW ✓

3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: 12-17-02

<b>FROM: (Old Operator):</b>	<b>TO: (New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No.

Unit:

NATURAL BUTTES

## WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 344	08-10S-22E	43-047-34021	2900	FEDERAL	GW	P
CIGE 268	08-10S-22E	43-047-34412	2900	FEDERAL	GW	P
NBU CIGE 15-8-10-22	08-10S-22E	43-047-30490	2900	FEDERAL	GW	PA
CIGE 249	08-10S-22E	43-047-34023	99999	FEDERAL	GW	APD
NBU 291	09-10S-22E	43-047-32911	2900	FEDERAL	GW	P
NBU 292	09-10S-22E	43-047-33474	2900	FEDERAL	GW	P
UTE TRAIL U 83X-9H	09-10S-22E	43-047-15388	2900	FEDERAL	GW	P
NBU CIGE 14-9-10-22	09-10S-22E	43-047-30484	2900	FEDERAL	GW	S
NBU 152	09-10S-22E	43-047-31990	2900	FEDERAL	GW	P
NBU 151	09-10S-22E	43-047-31991	2900	FEDERAL	GW	P
NBU 150	09-10S-22E	43-047-31992	2900	FEDERAL	GW	S
NBU 204	09-10S-22E	43-047-32342	2900	FEDERAL	GW	P
NBU 205	09-10S-22E	43-047-32344	2900	FEDERAL	GW	PA
NBU 188	10-10S-22E	43-047-32234	2900	FEDERAL	GW	S
NBU 207	10-10S-22E	43-047-32329	2900	STATE	GW	P
NBU 210	10-10S-22E	43-047-32340	2900	FEDERAL	GW	P
NBU 206	10-10S-22E	43-047-32341	2900	FEDERAL	GW	P
NBU 231	10-10S-22E	43-047-32561	2900	FEDERAL	GW	P
NBU 117	10-10S-22E	43-047-31914	2900	FEDERAL	GW	P
NBU 142	10-10S-22E	43-047-32013	2900	FEDERAL	GW	P

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 03/24/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/24/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

## SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator  
WESTPORT OIL & GAS COMPANY, L.P.3a. Address  
P.O. BOX 1148 VERNAL, UT 840783b. Phone No. (include area code)  
(435) 781-4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple Wells - see attached5. Lease Serial No.  
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
891008900A8. Well Name and No.  
Multiple Wells - see attached9. API Well No.  
Multiple Wells - see attached10. Field and Pool, or Exploratory Area  
Natural Buttes Unit11. County or Parish, State  
Uintah County, UT

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped.

The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached.

Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

J.T. Conley

Signature

COPY SENT TO OPERATOR

Date:

Initials:

Title

Date

Operations Manager

9-2-2003

SEP 10 2003

DIV. OF OIL, GAS &amp; MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Federal Approval of This  
Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date:

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



# Westport Oil & Gas, L.P.

## Project Economics Worksheet

### Instructions:

Fill in blue areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ??? ☒ N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULLING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

Increased OPX Per Year

### Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/860	\$0
Total \$		\$1,200

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

### Production & OPX Detail:

	Before		After		Difference
Oil Production	0.192	BOPD	0.194	BOPD	0.002
Gas Production	0	MCFPD	0	MCFPD	0
Wtr Production	0	BWPD	0	BWPD	0
Horse Power		HP		HP	0
Fuel Gas Burned		MCFPD		MCFPD	0

### Project Life:

Life = 20.0 Years  
(Life no longer than 20 years)

### Internal Rate of Return:

After Tax IROR = #DIV/0!

### AT Cum Cashflow:

Operating Cashflow = (\$2,917) (Discounted @ 10%)

### Payout Calculation: \*

Payout =  $\frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}}$  = 1

Payout occurs when total AT cashflow equals investment  
See graph below, note years when cashflow reaches zero

Payout = NEVER Years or #VALUE! Days

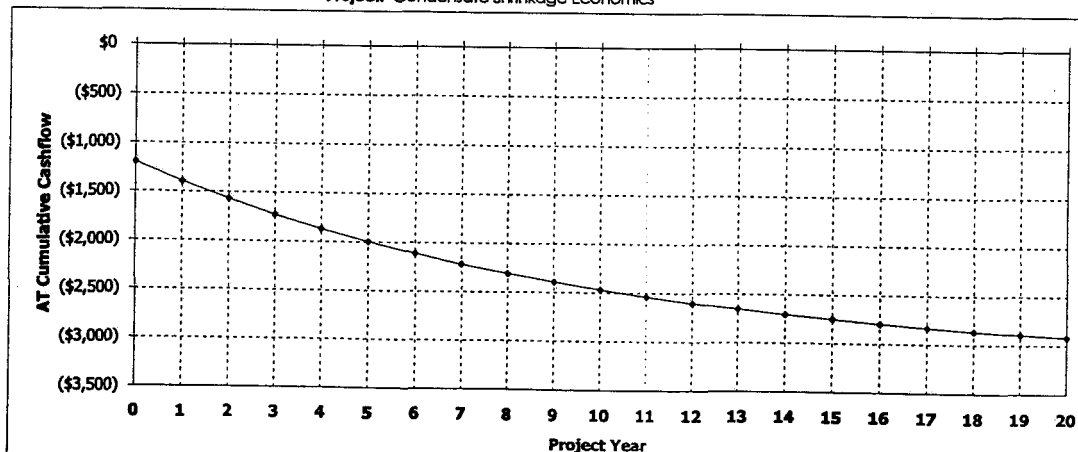
### Gross Reserves:

Oil Reserves = 6 BO  
Gas Reserves = 0 MCF  
Gas Equiv Reserves = 38 MCFE

### Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.194 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



# Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

## COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio ( scf/STbbl ) (A)	Specific Gravity of Flashed Gas ( Air=1.000 )	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

### Calculated at Laboratory Flash Conditions

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

### Calculated Flash with Backpressure using Tuned EOS

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

CIGE 194	1-10-22 SWNW	U011336	891008900A	430473293200S1
CIGE 195	2-10-22 NWNE	ML22651	891008900A	430473279700S1 ✓
CIGE 196	6-10-22 SESE	UTU01195	891008900A	430473300300S1
CIGE 197	7-9-21 NWNE	UTU0149767	891008900A	430473279800S1
CIGE 198	9-9-21 NESE	UTU01188	891008900A	430473279900S1
CIGE 199	14-9-21 NENW	UTU01193	891008900A	430473280100S1
CIGE 200	16-9-21 SENW	UTU38409	891008900A	430473280200S1
CIGE 201	18-9-21 SENE	UTU0575	891008900A	430473280400S1
CIGE 202	21-9-21 SESE	UTU0576	891008900A	430473280500S1
CIGE 203	34-9-21 NWNE	UTU01194A	891008900A	430473288100S1 ✓
CIGE 204	35-9-21 SWNE	ML22582	891008900A	430473279400S1 ✓
CIGE 205	1-10-21 SWNE	ML23612	891008900A	430473279500S1 ✓
CIGE 206	4-10-21 SESE	U01416	891008900A	430473299600S1
CIGE 207	8-10-21 NENE	UTU01791	891008900A	430473297500S1
CIGE 208	8-10-21 SWNE	UTU01791	891008900A	430473299700S1
CIGE 209	15-10-21 NENW	UTU01791A	891008900A	430473294300S1
CIGE 210	16-10-21 NESE	ML10755	891008900A	430473288800S1
CIGE 212	34-9-22 NENE	UTU0149077	891008900A	430473293800S1
CIGE 213	33-9-22 SENW	UTU01191A	891008900A	430473293300S1
CIGE 214	13-9-21 NESW	U01193	891008900A	430473291800S1
CIGE 215X	15-9-21 NENE	UTU01188	891008900A	430473369000S1
CIGE 216	15-9-21 SWNE	UTU01193	891008900A	430473292000S1
CIGE 217	16-9-21 NWSW	ML3141	891008900A	430473289800S1
CIGE 218	19-9-21 NWNE	U0581	891008900A	430473292100S1
CIGE 219	29-9-22 NESW	U01207	891008900A	430473286400S1 ✓
CIGE 220	34-9-22 SWNE	U10530A	891008900A	430473288400S1 ✓
CIGE 221	36-9-22 SWSW	ML22650	891008900A	430473286800S1 ✓
CIGE 222	36-9-22 NESW	ML22650	891008900A	430473286900S1 ✓
CIGE 223	1-10-22 NWNW	U011336	891008900A	430473298300S1
CIGE 224	2-10-21 SWNE	ML2252	891008900A	430473288300S1 ✓
CIGE 225	3-10-21 SENW	UTU0149078	891008900A	430473489500S1
CIGE 226	3-10-21 SESW	U0149078	891008900A	430473299500S1
CIGE 227	9-10-21 SESE	UTU01791	891008900A	430473299800S1
CIGE 228	15-10-21 SWNE	UTU01416A	891008900A	430473299900S1
CIGE 229	1-10-20 NWSW	UTU02270A	891008900A	430473300600S1
CIGE 230	13-10-20 SENE	UTU02270A	891008900A	430473288500S1
CIGE 231	7-9-21 SENE	UTU0575B	891008900A	430473302100S1
CIGE 232	9-9-21 NENE	UTU01188A	891008900A	430473283600S1
CIGE 233	21-9-21 NWNE	UTU0576	891008900A	430473302200S1
CIGE 234	25-9-21 SWNE	U01189	891008900A	430473287300S1 ✓
CIGE 235	25-9-21 NWSE	U01194	891008900A	430473285800S1 ✓
CIGE 236	34-9-21 SESE	U01194A	891008900A	430473286100S1 ✓
CIGE 237	15-9-21 NWSE	UTU010950A	891008900A	430473387800S1
CIGE 239	35-9-21 SENE	ML22582	891008900A	430473320600S1 ✓
CIGE 240	29-9-22 SENW	ML22935	891008900A	430473320700S1
CIGE 241	32-9-22 NENW	ML22649	891008900A	430473320800S1
CIGE 242	33-9-22 NWNW	UTU01191A	891008900A	430473402200S1
CIGE 244	1-10-21 NENW	ML23612	891008900A	430473320900S1 ✓
CIGE 245	1-10-21 SENE	ML23612	891008900A	430473321000S1 ✓
CIGE 246	2-10-21 NENW	ML-22652	891008900A	430473368700S1
CIGE 247	16-10-21 SWSE	ML10755	891008900A	430473363900S1
CIGE 248	21-10-21 NWSW	U02278	891008900A	430473322600S1
CIGE 249	8-10-22 NWNW	UTU466	891008900A	430473402300S1
CIGE 250	8-10-22 NESE	UTU01196E	891008900A	430473374300S1
CIGE 251	15-10-21 SWNW	UTU01791A	891008900A	430473372000S1
CIGE 252	21-10-21 SENW	UTU02278	891008900A	430473372100S1
CIGE 253	21-10-21 SESW	UTU02278	891008900A	430473372200S1
CIGE 254	9-10-21 NWNE	UTU01416	891008900A	430473372300S1
CIGE 255	7-9-21 SESE	UTU0575B	891008900A	430473397000S1
CIGE 256	9-9-21 SWNE	UTU01188A	891008900A	430473397100S1
CIGE 257	18-9-21 LOT 2	U0581	891008900A	430473466600S1 ✓



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
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(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor

Robert L. Morgan  
Executive Director

Lowell P. Braxton  
Division Director

October 28, 2003

Sheila Upchego  
Westport Oil & Gas Company  
P. O. Box 1148  
Vernal, Utah 84078

Re: APD Rescinded – CIGE 249 Sec. 8, T.10S, R. 22E Uintah County, Utah  
API No. 43-047-34023


Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 18, 2001. On March 26, 2002 and on March 3, 2003 the Division granted a one-year APD extension. On October 28, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 28, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal